



Rep. Karen May

**Filed: 5/13/2008**

09500SB2380ham001

LRB095 19723 RPM 50834 a

1 AMENDMENT TO SENATE BILL 2380

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2380 as follows:

3 on page 1, immediately below line 3, by inserting the  
4 following:

5 "Section 1. Short title. This Act may be cited as the  
6 Hospital Uninsured Patient Discount Act.

7 Section 5. Definitions. As used in this Act:

8 "Cost to charge ratio" means the ratio of a hospital's  
9 costs to its charges taken from its most recently filed  
10 Medicare cost report (CMS 2552-96 Worksheet C, Part I, PPS  
11 Inpatient Ratios).

12 "Critical Access Hospital" means a hospital that is  
13 designated as such under the federal Medicare Rural Hospital  
14 Flexibility Program.

15 "Family income" means the sum of a family's annual earnings

1 and cash benefits from all sources before taxes, less payments  
2 made for child support.

3 "Federal poverty income guidelines" means the poverty  
4 guidelines updated periodically in the Federal Register by the  
5 United States Department of Health and Human Services under  
6 authority of 42 U.S.C. 9902(2).

7 "Health care services" means any medically necessary  
8 inpatient or outpatient hospital service, including  
9 pharmaceuticals or supplies provided by a hospital to a  
10 patient.

11 "Hospital" means any facility or institution required to be  
12 licensed pursuant to the Hospital Licensing Act or operated  
13 under the University of Illinois Hospital Act.

14 "Illinois resident" means a person who lives in Illinois  
15 and who intends to remain living in Illinois indefinitely.  
16 Relocation to Illinois for the sole purpose of receiving health  
17 care benefits does not satisfy the residency requirement under  
18 this Act.

19 "Medically necessary" means any inpatient or outpatient  
20 hospital service, including pharmaceuticals or supplies  
21 provided by a hospital to a patient, covered under Title XVIII  
22 of the federal Social Security Act for beneficiaries with the  
23 same clinical presentation as the uninsured patient. A  
24 "medically necessary" service does not include any of the  
25 following:

26 (1) Non-medical services such as social and vocational

1 services.

2 (2) Elective cosmetic surgery, but not plastic surgery  
3 designed to correct disfigurement caused by injury,  
4 illness, or congenital defect or deformity.

5 "Rural hospital" means a hospital that is located outside a  
6 metropolitan statistical area.

7 "Uninsured discount" means a hospital's charges multiplied  
8 by the uninsured discount factor.

9 "Uninsured discount factor" means 1.0 less the product of a  
10 hospital's cost to charge ratio multiplied by 1.35.

11 "Uninsured patient" means an Illinois resident who is a  
12 patient of a hospital and is not covered under a policy of  
13 health insurance and is not a beneficiary under a public or  
14 private health insurance, health benefit, or other health  
15 coverage program, including high deductible health insurance  
16 plans, workers' compensation, accident liability insurance, or  
17 other third party liability.

18 Section 10. Uninsured patient discounts.

19 (a) Eligibility.

20 (1) A hospital, other than a rural hospital or Critical  
21 Access Hospital, shall provide a discount from its charges  
22 to any uninsured patient who applies for a discount and has  
23 family income of not more than 600% of the federal poverty  
24 income guidelines for all medically necessary health care  
25 services exceeding \$300 in any one inpatient admission or

1 outpatient encounter.

2 (2) A rural hospital or Critical Access Hospital shall  
3 provide a discount from its charges to any uninsured  
4 patient who applies for a discount and has annual family  
5 income of not more than 300% of the federal poverty income  
6 guidelines for all medically necessary health care  
7 services exceeding \$300 in any one inpatient admission or  
8 outpatient encounter.

9 (b) Discount. For all health care services exceeding \$300  
10 in any one inpatient admission or outpatient encounter, a  
11 hospital shall not collect from an uninsured patient, deemed  
12 eligible under subsection (a), more than its charges less the  
13 amount of the uninsured discount.

14 (c) Maximum Collectible Amount.

15 (1) The maximum amount that may be collected in a 12  
16 month period for health care services provided by the  
17 hospital from a patient determined by that hospital to be  
18 eligible under subsection (a) is 25% of the patient's  
19 family income, and is subject to the patient's continued  
20 eligibility under this Act.

21 (2) The 12 month period to which the maximum amount  
22 applies shall begin on the first date, after the effective  
23 date of this Act, an uninsured patient receives health care  
24 services that are determined to be eligible for the  
25 uninsured discount at that hospital.

26 (3) To be eligible to have this maximum amount applied

1 to subsequent charges, the uninsured patient shall inform  
2 the hospital in subsequent inpatient admissions or  
3 outpatient encounters that the patient has previously  
4 received health care services from that hospital and was  
5 determined to be entitled to the uninsured discount.

6 (4) Hospitals may adopt policies to exclude an  
7 uninsured patient from the application of subdivision  
8 (c)(1) when the patient owns assets having a value in  
9 excess of 600% of the federal poverty level for hospitals  
10 in a metropolitan statistical area or owns assets having a  
11 value in excess of 300% of the federal poverty level for  
12 Critical Access Hospitals or hospitals outside a  
13 metropolitan statistical area, not counting the following  
14 assets: the uninsured patient's primary residence;  
15 personal property exempt from judgment under Section  
16 12-1001 of the Code of Civil Procedure; or any amounts held  
17 in a pension or retirement plan, provided, however, that  
18 distributions and payments from pension or retirement  
19 plans may be included as income for the purposes of this  
20 Act.

21 (d) Each hospital bill, invoice, or other summary of  
22 charges to an uninsured patient shall include with it, or on  
23 it, a prominent statement that an uninsured patient who meets  
24 certain income requirements may qualify for an uninsured  
25 discount and information regarding how an uninsured patient may  
26 apply for consideration under the hospital's financial

1 assistance policy.

2 Section 15. Patient responsibility.

3 (a) Hospitals may make the availability of a discount and  
4 the maximum collectible amount under this Act contingent upon  
5 the uninsured patient first applying for coverage under public  
6 programs, such as Medicare, Medicaid, AllKids, the State  
7 Children's Health Insurance Program, or any other program, if  
8 there is a reasonable basis to believe that the uninsured  
9 patient may be eligible for such program.

10 (b) Hospitals shall permit an uninsured patient to apply  
11 for a discount within 60 days of the date of discharge or date  
12 of service.

13 (1) Income verification. Hospitals may require an  
14 uninsured patient who is requesting an uninsured discount  
15 to provide documentation of family income. Acceptable  
16 family income documentation shall include any one of the  
17 following:

18 (A) a copy of the most recent tax return;

19 (B) a copy of the most recent W-2 form and 1099  
20 forms;

21 (C) copies of the 2 most recent pay stubs;

22 (D) written income verification from an employer  
23 if paid in cash; or

24 (E) one other reasonable form of third party income  
25 verification deemed acceptable to the hospital.

1           (2) Asset verification. Hospitals may require an  
2 uninsured patient who is requesting an uninsured discount  
3 to certify the existence of assets owned by the patient and  
4 to provide documentation of the value of such assets.  
5 Acceptable documentation may include statements from  
6 financial institutions or some other third party  
7 verification of an asset's value. If no third party  
8 verification exists, then the patient shall certify as to  
9 the estimated value of the asset.

10           (3) Illinois resident verification. Hospitals may  
11 require an uninsured patient who is requesting an uninsured  
12 discount to verify Illinois residency. Acceptable  
13 verification of Illinois residency shall include any one of  
14 the following:

15                   (A) any of the documents listed in paragraph (1);

16                   (B) a valid state-issued identification card;

17                   (C) a recent residential utility bill;

18                   (D) a lease agreement;

19                   (E) a vehicle registration card;

20                   (F) a voter registration card;

21                   (G) mail addressed to the uninsured patient at an  
22 Illinois address from a government or other credible  
23 source;

24                   (H) a statement from a family member of the  
25 uninsured patient who resides at the same address and  
26 presents verification of residency; or

1           (I) a letter from a homeless shelter, transitional  
2           house or other similar facility verifying that the  
3           uninsured patient resides at the facility.

4           (c) Hospital obligations toward an individual uninsured  
5           patient under this Act shall cease if that patient unreasonably  
6           fails or refuses to provide the hospital with information or  
7           documentation requested under subsection (b) or to apply for  
8           coverage under public programs when requested under subsection  
9           (a) within 30 days of the hospital's request.

10          (d) In order for a hospital to determine the 12 month  
11          maximum amount that can be collected from a patient deemed  
12          eligible under Section 10, an uninsured patient shall inform  
13          the hospital in subsequent inpatient admissions or outpatient  
14          encounters that the patient has previously received health care  
15          services from that hospital and was determined to be entitled  
16          to the uninsured discount.

17          (e) Hospitals may require patients to certify that all of  
18          the information provided in the application is true. The  
19          application may state that if any of the information is untrue,  
20          any discount granted to the patient is forfeited and the  
21          patient is responsible for payment of the hospital's full  
22          charges.

23          Section 20. Exemptions and limitations.

24          (a) Hospitals that do not charge for their services are  
25          exempt from the provisions of this Act.

1           (b) Nothing in this Act shall be used by any private or  
2 public health care insurer or plan as a basis for reducing its  
3 payment or reimbursement rates or policies with any hospital.  
4 Notwithstanding any other provisions of law, discounts  
5 authorized under this Act shall not be used by any private or  
6 public health care insurer or plan, regulatory agency,  
7 arbitrator, court, or other third party to determine a  
8 hospital's usual and customary charges for any health care  
9 service.

10           (c) Nothing in this Act shall be construed to require a  
11 hospital to provide an uninsured patient with a particular type  
12 of health care service or other service.

13           (d) Nothing in this Act shall be deemed to reduce or  
14 infringe upon the rights and obligations of hospitals and  
15 patients under the Fair Patient Billing Act.

16           (e) The obligations of hospitals under this Act shall take  
17 effect for health care services provided on or after the first  
18 day of the month that begins 90 days after the effective date  
19 of this Act or 90 days after the initial adoption of rules  
20 authorized under subsection (a) of Section 25, whichever occurs  
21 later.

22           Section 25. Enforcement.

23           (a) The Attorney General is responsible for administering  
24 and ensuring compliance with this Act, including the  
25 development of any rules necessary for the implementation and

1 enforcement of this Act.

2 (b) The Attorney General shall develop and implement a  
3 process for receiving and handling complaints from individuals  
4 or hospitals regarding possible violations of this Act.

5 (c) The Attorney General may conduct any investigation  
6 deemed necessary regarding possible violations of this Act by  
7 any hospital including, without limitation, the issuance of  
8 subpoenas to:

9 (1) require the hospital to file a statement or report  
10 or answer interrogatories in writing as to all information  
11 relevant to the alleged violations;

12 (2) examine under oath any person who possesses  
13 knowledge or information directly related to the alleged  
14 violations; and

15 (3) examine any record, book, document, account, or  
16 paper necessary to investigate the alleged violation.

17 (d) If the Attorney General determines that there is a  
18 reason to believe that any hospital has violated this Act, the  
19 Attorney General may bring an action in the name of the People  
20 of the State against the hospital to obtain temporary,  
21 preliminary, or permanent injunctive relief for any act,  
22 policy, or practice by the hospital that violates this Act.  
23 Before bringing such an action, the Attorney General may permit  
24 the hospital to submit a Correction Plan for the Attorney  
25 General's approval.

26 (e) This Section applies if:

1           (1) A court orders a party to make payments to the  
2           Attorney General and the payments are to be used for the  
3           operations of the Office of the Attorney General; or

4           (2) A party agrees in a Correction Plan under this Act  
5           to make payments to the Attorney General for the operations  
6           of the Office of the Attorney General.

7           (f) Moneys paid under any of the conditions described in  
8           subsection (e) shall be deposited into the Attorney General  
9           Court Ordered and Voluntary Compliance Payment Projects Fund.  
10          Moneys in the Fund shall be used, subject to appropriation, for  
11          the performance of any function, pertaining to the exercise of  
12          the duties, to the Attorney General including, but not limited  
13          to, enforcement of any law of this State and conducting public  
14          education programs; however, any moneys in the Fund that are  
15          required by the court to be used for a particular purpose shall  
16          be used for that purpose.

17          (g) The Attorney General may seek the assessment of a civil  
18          monetary penalty not to exceed \$500 per violation in any action  
19          filed under this Act where a hospital, by pattern or practice,  
20          knowingly violates Section 10 of this Act.

21          (h) In the event a court grants a final order of relief  
22          against any hospital for a violation of this Act, the Attorney  
23          General may, after all appeal rights have been exhausted, refer  
24          the hospital to the Illinois Department of Public Health for  
25          possible adverse licensure action under the Hospital Licensing  
26          Act.

1           (i) Each hospital shall file Worksheet C Part I from its  
2 most recently filed Medicare Cost Report with the Attorney  
3 General within 60 days after the effective date of this Act and  
4 thereafter shall file each subsequent Worksheet C Part I with  
5 the Attorney General within 30 days of filing its Medicare Cost  
6 Report with the hospital's fiscal intermediary.

7           Section 30. Home rule.     A home rule unit may not regulate  
8 hospitals in a manner inconsistent with the provisions of this  
9 Act. This Section is a limitation under subsection (i) of  
10 Section 6 of the Article VII of the Illinois Constitution on  
11 the concurrent exercise by home rule units of powers and  
12 functions exercised by the State."; and

13 on page 1, line 4, by replacing "5" with "90"; and

14 on page 12, by replacing line 16 with the following:

15 "becoming law, except that Sections 1 through 30 take effect 90  
16 days after becoming law.".